

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Establishment of Hyderabad Economic City project comprising inter-alia on Integrated Financial City and an Integrated Health city near Hyderabad by M/s. RAK Investment Authority, United Arab Emirates – Extending certain concessions to the company to set up the project – Orders – Issued.

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INDUSTRIES AND COMMERCE (INF) DEPARTMENT

G.O.Ms.No. 46

Dated: 07.02.2009

Read the following:

1. From the Crown Prince & Deputy Ruler, Government of Ras-Al-Khaimah, Lr.dt. 4.9.08.
2. From the CEO, Govt. of Ras-Al-Khaimah, RAK Investment Authority, Lr.6.9.08.
3. MoU, dt. 15.9.08 between the APIIC and the Government of Ras-Al-Khaimah represented by the RAK Investment Authority.
4. G.O.Rt.No.863, I&C (INF) Dept., dt. 24.11.08.
5. From the Director, Government of Ras-AL-Khaimah, RAK Investment Authority, Lr.dt. 28.11.08.
6. From the C&MD, APIIC, Lr.No.1010/PM(IPU)/APIIC/08, dt. 8.12.08.

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ORDER :

The Government of Ras-Al-Khaimah, United Arab Emirates in the reference Ist read above has expressed its interest to participate in the Development of Hyderabad Economic City Project along with the Government of Andhra Pradesh to make the Hyderabad Economic City Project, comprising an Integrated Financial City and Integrated Health City, as a World class facility by utilizing international expertise. The Government of Ras-Al-Khaimah has further informed that similar projects are being developed in the Emirates through its representative company by name M/s. RAK Investment Authority (RAKIA) and further informed that the Government of Ras-Al-Khaimah will stand guarantee for any commitments made by the RAKIA in the State of Andhra Pradesh.

2. The Government, after detailed examination of the proposal have considered the same and the Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) on behalf of the State Government has signed MoU with RAKIA on 15.9.08 for the Development of the Hyderabad Economic City Project with the following obligations:

1. To establish Integrated Financial City which comprises financial services, Banking, Insurance and Asset Management, Capital Market and Training, IT Services, IT Parks etc.
2. To establish Integrated Health City which comprises clinical and non-clinical services such as establishment of hospitals, teaching hospitals, medical centers, diagnostic centers, medical school, research services etc.
3. The company shall invest about Rs. 20,000/- crores approximately in a span of over 10 years.

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4. To provide direct employment for more than 1.00 lakh persons and equal number of indirect employment on project completion.
3. The Government have issued orders in the G.O., 4th read above, appointing the APIIC as the Nodal Agency to extend all support to RAKIA for speedy implementation of the Hyderabad Economic City project in which the APIIC and its associates are jointly allowed to hold on equity share capital not less than 26% (to be appropriate to the extent of land) as required under Companies Act, 1956 with a financial cap of Rs. 100.00 crores initially, which can be diluted/divested at a later date depending upon the implementation of the project. APIIC is permitted to execute Collaboration Agreements, Shareholders Agreement and other necessary documents with RAK Investment Authority or its SPV to be incorporated under the Companies Act, 1956 for the project.
4. The Director, RAKIA in the letter 5th read above, has requested Government through APIIC to extend certain concessions in order to establish/develop the Hyderabad Economic City project.
5. The Government after careful consideration of the request of the company, have agreed to extend the following concessions/exemptions to the Hyderabad Economic City Project and the SPVs/units to be established in the project from Government and its quasi-Government agencies.
 1. Exemption from payment of master plan approval fee, land conversion, development charges, layout approval charges, value addition charges, processing charges and impact fee in respect of all the buildings except residential buildings in the Hyderabad Economic City project.
 2. Exemption from payment of regulatory fees such as building permission, fire approval fee etc.,
 3. Exemption from payment of stamp duty, registration fee for transfer of land to the APIIC, APIIC to the Joint venture and for all SPVs.
 4. Exemption from payment of stamp duty on the mortgages for all the SPVs.
 5. To provide training support incentive at a rate of Rs.10,000/- per person up to 10,000 persons belonging to local people and persons of A.P.State only to be employed in the Hyderabad Economic City Project.
 6. Reimbursement of 25% of VAT /CST as per IIPP-2005-10 for the units set up in the Hyderabad Economic City
 7. Exemption from payment of seigniorage fee and cess on minor Minerals.
6. The Government have agreed in principle to consider the request for granting deemed university status to the medical educational institutions and for Industrial Park status as per the applicable laws of Government.

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7. The Government shall also facilitate access to the project site at all times, bringing rail/metro rail etc., on best effort basis. All the above concessions would be extended to the company subject to project completion as per the time stipulated above/ as agreed to in the MoU.

8. The APIIC as Nodal Agency for the development of the Hyderabad Economic City Project, shall monitor and take necessary action on the above with the respective Departments in Government for issue of necessary orders .

9. The Chairman & Managing Director, APIIC shall take action accordingly.

10. This order issues with the concurrence of Finance Department vide their U.,O.No. 913/25/Exp.I&C/09, dated: 22.1.2009.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Chairman & Managing Director,

Andhra Pradesh Industrial Infrastructure Corporation Limited, Hyderabad.

The Chief Executive Officer, M/s. Rak Investment Authority through APIIC Ltd.

The Municipal Administration & Urban Development Department.

The Information Technology & Communication Department.

The Revenue (CT) Department.

The Revenue (Regn.II) Department.

The Revenue (Regn.& Mandals) Department.

The Industries & Commerce (Mines-I) Department.

The Higher Education Department

The Transport, Roads & Buildings Department.

The Infrastructure & Investment Department.

Copy to:

P.S. to Principal Secretary to Chief Minister.

P.S. to Minister for Major Industries.

P.S. to Chief Secretary to Government.

The Finance (Exp.I&C) Department.

The Industries & Commerce (Mines-) Department.

The Industries & Commerce (IP) Department.

General Administration (Cabinet) Department w.r.t. their

U.O.No.43/09, dt. 1.2.09.

// FORWARDED :: BY ORDER //

SECTION OFFICER